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FM AMEMBASSY KUALA LUMPUR
TO RUEHC/SECSTATE WASHDC IMMEDIATE 0336
INFO RUCNASE/ASEAN MEMBER COLLECTIVE PRIORITY
RUEHBY/AMEMBASSY CANBERRA PRIORITY 2422
RUEHLO/AMEMBASSY LONDON PRIORITY 0357
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 0730
RUEHWL/AMEMBASSY WELLINGTON PRIORITY 0548
RUEHCG/AMCONSUL CHENNAI PRIORITY 0123
RHEHNSC/NSC WASHDC PRIORITY
RHHMUNA/USCINCPAC HONOLULU HI PRIORITY

C O N F I D E N T I A L SECTION 01 OF 04 KUALA LUMPUR 001684

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TAGS: [PGOV](#) [PHUM](#) [KDEM](#) [ASEC](#) [MY](#)
SUBJECT: INDIAN GRIEVANCES AND RACIAL TENSIONS; GOM TRIES
TO KEEP THE LID ON

REF: A. KUALA LUMPUR 1663 - LEGAL ACTION AGAINST
PROTESTERS
[1](#)B. KUALA LUMPUR 1647 - POLICE BREAK UP PROTEST
[1](#)C. KUALA LUMPUR 1646 - ARRESTS AHEAD OF RALLY

Classified By: Political Section Chief Mark D. Clark, reason 1.4 (b and d).

Summary

[1](#)1. (C) The ethnic Indian protest on November 25 and the government's strong law enforcement response have increased domestic and international attention on Malaysia's Indian community. Despite constituting nearly 8 per cent of Malaysia's population, ethnic Indians hold only 1.2 per cent of the nation's wealth. The Malaysian Indian Congress (MIC) has represented Malaysia's Indian community since before independence, but a perceived widening gap between the rich and poor has led many Malaysian Indians to question MIC's effectiveness in representing the community. MIC's core issues of educational opportunity and economic equality have remained unfulfilled leaving many Indians feeling dissatisfied with the party's leadership. The Hindu Rights Action Force (Hindraf), a small NGO led by activist lawyers, recently catapulted to prominence courtesy of police actions to break up its mass demonstration in Kuala Lumpur on November 25 (ref B). Ethnic Malays, both inside and outside the government, have reacted strongly against Hindraf's calls to abolish affirmative action policies favoring the Malays and the NGO's exaggerated claims of "ethnic cleansing," and they accuse Hindraf of fomenting racial tension. Government legal actions against Hindraf supporters have been swift and tough as the nation's attorney general personally leads government prosecutions for attempted murder against those arrested for the November 25 demonstration. National Front coalition partners fear Indian voters will abandon the coalition and vote for the opposition in the upcoming general elections. Hindraf has unquestionably succeeded, where MIC has failed, in raising awareness of ethnic Indian grievances, but the NGO's tactics have led to concerns over racial tensions and also eroded public sympathy for their cause. The government's strong security response is rooted in political interests and fear of racial clashes, but it could backfire if taken too far. End Summary.

Malaysia's Indian minority

[1](#)2. (SBU) Ethnic Indians constitute Malaysia's third largest ethnic group totaling nearly 8 per cent of Malaysia's 27

million people. The overwhelming majority of Malaysia's Indian population today are the descendants of Indian laborers brought to Malaysia during the British colonial period. Most Indian laborers brought to Malaysia were of Tamil origin; accordingly, the Tamil language and culture dominate Malaysia's ethnic Indian community today. Despite comprising 8 per cent of the population, Malaysia's ethnic Indian community holds only 1.2 per cent of the nation's wealth, and many of Malaysia's most hard-core poor are ethnic Indians.

13. (C) Since independence in 1957, the Malaysian Indian Congress (MIC) has remained the dominant Indian political party in Malaysia and has represented the Indian minority in the Malay-led ruling coalition, now called the National Front (BN). Since its founding in 1946, MIC has been committed to positive inter-racial cooperation and in promoting higher educational opportunities and an equitable share of Malaysia's economic wealth for ethnic Indians. MIC is currently led by its longest serving president, Samy Vellu, who has acted as MIC president since 1979. In recent years, MIC, and Samy Vellu in particular, have come under fire based over allegations of corruption and for a perceived decline in Malaysian Indian welfare. According to Embassy observations, Vellu does not enjoy high personal approval within the Indian community.

Grievances grow with widening income gap

14. (SBU) In recent years, as the gap between the rich and poor increased, Malaysia's ethnic Indians increasingly began criticizing the affirmative action policies ensconced in

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Malaysia's New Economic Policy (NEP), the application of which has focused almost exclusively on the majority Malay population. Thus, while MIC has remained an integral coalition member, many of the party's original goals remain unfulfilled and in some ways have shown negative progress. Traditional party loyalists have begun questioning the effectiveness of the party. The principle issues still facing the Indian community are adequate educational opportunities, equitable distribution of the nation's wealth, and inter-racial harmony. Vernacular Tamil schools have dwindled since Independence and decreased by nearly a third in just the last decade. Private support of traditional Indian schools has also declined as government-linked companies (GLCs) have taken over the plantations and estates that once employed the majority of Indians in the country.

15. (SBU) Government statistics reinforce many of the community's grievances, showing, among other things, that Indians constitute less than 5 percent of the 45,000 incoming university freshmen which annually enroll in public universities; 40 percent of criminals detained without trial under Malaysia's Emergency Ordinance are Indians; and Indians recorded the highest suicide rate in the country (21.1 for every 100,000) compared with Chinese (8.6) and Malays (2.6). Job opportunities in civil service for Indians saw a decline over the years with Indians holding 17.4 per cent of all civil service jobs in 1971, but only 5.12 per cent in 2005.

Hindraf fills the political void

16. (SBU) Dissatisfaction with MIC led a group of Indian lawyers, headed by a human rights activist and former IVP alumnus P. Uthayakumar, to form the small activist NGO the Hindu Rights Action Force ("Hindraf") in 2005. This followed a high profile legal tussle between the Shari'a court and a Hindu family over the burial and religious status of M. Moorthy, a prominent retired military officer. Seeking to advocate for Indian rights where MIC failed to step in, these activist lawyers formed Hindraf. Hindraf's key leaders

include current Chairman P. Waytha Moorthy (Uthayakumar's younger brother), Manoharan (a Democratic Action Party (DAP) leader), and lawyers Ganapathy Rao and Kengadharan Ramasamy.

17. (SBU) In July 2007, Hindraf organized its first successful public demonstration when it gathered some 3,000 Indians to protest in front of the Prime Minister's office in Putrajaya, demanding an end to the NEP, equal educational and economic opportunities and assistance for Indians. Following the July 2007 protest, Hindraf began holding small demonstrations at Hindu temples (most lacking official registration due to historical circumstance) slated for demolition by state development authorities. Hindraf's popularity in the Indian community increased as MIC failed to publicly defend the temples from state development plans. Following the destruction of a Hindu temple on November 6, Hindraf's calls for public action resonated loudly in the Indian community culminating in the November 25 rally (reported in detail ref B). The unexpectedly large crowd of Indian protesters who turned out and the wide international media coverage of riot police using tear gas and water cannons to break up the demonstrations catapulted Hindraf to national and international attention.

18. (SBU) Prior to the November 25 demonstration, Uthayakumar had sent a letter to British Prime Minister Gordon Brown lamenting the plight of Indians in Malaysia and describing the demolition of Hindu temples as "ethnic cleansing". He appealed to the British government to refer Malaysia to the world court and International Criminal Court for crimes against its own ethnic minority Indians. Following the November 25 demonstration, Hindraf's Chairman Waythamoorthy began overseas travel to "lobby the international community's support for the mere 8 per cent ethnic minority Indians in Malaysia who have been marginalized and permanently colonized by the racist, Malay supremacist and Islamic fundamentalist UMNO controlled Malaysian government." A statement released by Hindraf on November 30, stated that Waythamoorthy would be traveling to India, London, the UN in New York and Geneva, and to Washington to lobby on behalf of Malaysia's "marginalized Indians."

National Front responds

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19. (SBU) Government response to both the Hindraf rally and to accusations of "ethnic cleansing" have been swift and powerful (see Ref B for police response to Nov 25 rally and ref A for political responses including threats of arrests under the Internal Security Act and charges of sedition filed against certain protesters). Prime Minister Abdullah Badawi stated on December 2: "I am really angry. I rarely get angry, but this blatant lie (concerning ethnic cleansing) cannot be tolerated at all. . . The Indians have played their role. They have given strong support to the Government.... They know we are just and fair. But sadly, some have been influenced by Hindraf and I hope they will evaluate Hindraf's statements carefully." The Government has further responded by filing attempted murder charges against 31 people arrested for the injuries sustained by a police officer when police attempted to break up the crowds at Batu Caves temple prior to November 25 protest march (ref B). Malaysia's Attorney General, Abdul Gani Patail, has personally led the prosecution team, further politicizing the Government's response to Hindraf's accusations, and serving as a threat to other groups that might take to the streets in protest.

110. (SBU) Many Malaysians, including ethnic Malays whose affirmative action privileges are challenged by Hindraf's claims and others who worry about inciting inter-racial violence, have reacted negatively to both the November 25 protest and the international attention Hindraf has tried to raise. Many Malays accuse Hindraf of trying to embarrass the GOM and of insulting Malaysia's monarchy by taking their

petition to the Queen of England rather than to Malaysia's own monarch. MIC, which stands embarrassed by the ethnic Indian protest, has openly criticized Hindraf's actions and urged the Indian community to reject their efforts as a political ploy of the opposition parties seeking to weaken the Government ahead of the next elections. Malays generally see Indian complaints as a challenge to Malaysia's social contract and accuse Hindraf supporters of fomenting racial tensions and a further split along racial lines.

BN parties concerned about Indian votes

¶11. (C) Some ruling coalition insiders appear quite concerned about Indian voters in the upcoming elections. Where once the large majority of Indians were assured of supporting MIC and other National Front candidates, coalition partners can no longer depend on Indian swing votes in tight races. "The Chinese understand and agree with Indian grievances, it is just too bad that it took Hindraf to raise these issues with the Government," said an informed member of the Malaysian Chinese Association (MCA). In one instance, MCA reportedly refused to trade constituencies with an MIC parliamentarian in recent seat allocation negotiations because the high number of Indian voters in the district threatened any BN candidate that would run. An advisor to Prime Minister Abdullah told us Abdullah was considering giving a second ministerial post to an Indian in the future so that Indians are no longer solely represented in the Cabinet by MIC President Samy Vellu (current public works minister). Nevertheless, this advisor thought Vellu would survive as head of MIC.

Comment

¶12. (C) The small NGO Hindraf has unquestionably succeeded in dramatically raising awareness of ethnic Indian grievances through the November 25 demonstration. However, the manner in which Hindraf has pursued this goal, including exaggerated claims such as "ethnic cleansing," has raised concern that inter-ethnic tensions could reach a flash point and has eroded Hindraf support among otherwise sympathetic elements of Malaysian society. Short of spreading their message abroad, Hindraf activists do not appear to have a coherent strategy to promote social, educational and economic equality for ethnic Indians. By provoking a national conversation over the status of Indians in Malaysia, Hindraf has accomplished what MIC has long failed to achieve, but the potential backlash to Hindraf's tactics also could set back efforts to achieve racial equality.

¶13. (C) The GOM's strong law enforcement response to Hindraf

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derives in part from its current desire to stop an emerging pattern of anti-government public rallies, with Hindraf's demonstration coming just two weeks after a very large opposition party march in support of electoral reform. The GOM equally is intent on preventing any type of racial clash reminiscent of the May 13, 1969 riots. In addition, the Malay-dominated government reportedly is under pressure from more conservative members of the leading United Malays National Organization (UMNO) to take strong action in the face of such challenges. Ethnic Malays are united in their condemnation of Hindraf's "racist" approach to dealing with Indian economic and religious concerns, concerns that otherwise some Malays consider legitimate. Rumors have begun to circulate calling for Malay street demonstrations to reiterate Malay supremacy. The GOM has taken unpublicized action to stop several Malay counter-protests, and Malay officials have called for restraint. Ironically, the government's tough approach and insistence on breaking up the November 25 Hindraf demonstration helped to land them in the current sticky situation. Pursuit of attempted murder charges against those arrested for the demonstration could

also backfire on the government by prolonging public fixation on the November 25 protests and exacerbating ill-will in the Indian community.

KEITH